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RICHARD A. MARSHACK

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re
NORTHERN HOLDING, LLC,
Debtor.

Case No. 8:20-bk-13014-SC

Chapter 7

TRUSTEE'S STATUS REPORT
REGARDING ONGOING CIVIL
CONTEMPT PROCEEDINGS

[CONTEMPT ORDER DOCKET NO. 424]

Continued Hearing

Date: January 9, 2024

Time: 11:00 a.m.

Ctrm: 5C – via ZoomGov

Location: United States Bankruptcy Court
411 West Fourth Street
Santa Ana, CA 92701-4593

TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE,
THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

Richard A. Marshack, the chapter 7 trustee (“Trustee”) of the bankruptcy estate (“Estate”) of Northern Holding, LLC (“Debtor”), submits this further status report regarding the ongoing civil contempt proceedings against LeRoy E. Coddington, IV (“Coddington”), in advance of the hearing on January 9, 2024.

1. Brief Factual Restatement

On October 28, 2020, Debtor filed a voluntary petition for bankruptcy under Chapter 11 of Title 11 of the United States Code, initiating the above-captioned bankruptcy case. Coddington was the managing member of Debtor.

1 On May 11, 2023, the Court conducted a hearing on an order to show cause re: civil
2 contempt, and testimony of witnesses was presented both in person and over ZoomGov. At the
3 conclusion of the hearing, Trustee and Coddington entered into stipulated terms to resolve the OSC,
4 which were read into the record. The Court set a continued hearing date for June 15, 2023, at 11:00
5 a.m.

6 On May 12, 2023, as Dk. No. 394, Trustee filed a stipulation signed by Coddington which
7 memorialized and supplemented the terms read into the record ("Contempt Stipulation"). The
8 Contempt Stipulation provided that Coddington would pay up to \$140,000 to the Estate by June 14,
9 2023, or otherwise would agree to be adjudicated in contempt.

10 On May 16, 2023, as Dk. No. 397, secured creditor AgWest Farm Credit, FLCA ("FCW")
11 filed an objection to the Contempt Stipulation, regarding the treatment of the contempt sanctions.
12 This objection was later resolved by stipulation.

13 No funds were received by June 14, 2023.

14 On July 28, 2023, as Dk. No. 416, the parties filed a subsequent stipulation providing an
15 increased payment of \$160,000 to be made by September 12, 2023, by Coddington, which stipulation
16 was approved by an order of the Court entered as Docket No. 417.

17 No funds were received by September 12, 2023.

18 On September 13, 2023, as Dk. No. 421, a further status report was filed where Coddington
19 offered to pay an increased amount of \$170,000. However, no funds were received by the date of
20 the continued hearing on September 27, 2023. At the hearing, the Court found that Coddington should
21 be adjudicated in civil contempt, and set a continued hearing for October 18, 2023. "

22 On October 5, 2023, as Dk. No. 424, the Court entered an order adjudicating Coddington in
23 civil contempt ("Contempt Order"). The Contempt Order provided that the agreed amount of
24 \$170,000 must be paid by Coddington no later than October 7, 2023, at 11:50 p.m. Pacific Prevailing
25 Time.

26 No funds were received by October 7, 2023. At the hearing on October 18, 2023, the Court
27 set a further continued hearing for November 8, 2023, based in part on Coddington's representation
28 that he would obtain funds by October 31, 2023.

1 No funds were received by October 31, 2023.

2 On November 6, 2023, as Dk. No. 430, Trustee filed a status report regarding Coddling's
3 updated statement that he would obtain a cashier's check for \$170,000 by Friday, November 10,
4 which was two days after the scheduled hearing. Based on Coddling's representation, the parties
5 jointly requested that the hearing be continued for approximately one week. Based on the status
6 report, the Court vacated the hearing on November 8, 2023, and set a further hearing on November
7 16, 2023, at 11:00 a.m.

8 No cashier's check was received by Trustee by November 10, 2023.

9 On November 14, 2023, as Dk. No. 434, Trustee filed a status report regarding Coddling's
10 updated statement that he would obtain a cashier's check for \$175,000 by Friday, November 15,
11 which was two days prior to the scheduled hearing. Based on Coddling's representation, the parties
12 jointly requested that the hearing be continued for approximately one week. Based on the status
13 report, the Court vacated the hearing on November 16, 2023, and set a further hearing on December
14 6, 2023, at 11:00 a.m. Coddling informed Trustee on December 4, 2023, that he had an attorney
15 meeting on December 6, 2023, at 2:00 p.m. (i.e. three hours after the hearing), to assist with
16 obtaining the loan.

17 No funds received by Trustee by the continued hearing on December 6, 2023. The Court
18 continued the hearing to January 9, 2024, at 11:00 a.m., with a status report due seven days in
19 advance. No funds have been received to date.

20 **2. Status Report**

21 From Trustee's perspective, every time the Court has set a hearing, or there is some deadline
22 to do something, Coddling promises that he will pay shortly after the deadline. This pattern of
23 behavior has continued for over seven months since the evidentiary hearing. On January 2, 2024,
24 counsel communicated with Coddling via e-mail and text message requesting an update. An update
25 was provided that Coddling was continuing to process paperwork along with attorneys, to obtain a
26 loan from a private lender, where some of the funds would then be directed to the Estate to satisfy
27 Coddling's debt. No estimated time was provided. Trustee has never been put in contact with any
28 other party who can corroborate Coddling's statements. Trustee will appear at the hearing on January

1 9, 2024, through counsel, to provide any further updates. The delay resulting from this failure to pay
2 is hindering Trustee's ability to close this case.

3
4 DATED: January 2, 2024

MARSHACK HAYS WOOD LLP

5 By: /s/ Tinho Mang
6 D. EDWARD HAYS
7 TINHO MANG
8 Attorneys for Chapter 7 Trustee
RICHARD A. MARSHACK

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **TRUSTEE'S STATUS REPORT REGARDING ONGOING CIVIL CONTEMPT PROCEEDINGS** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **January 2, 2024**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **January 2, 2024**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC
ATTN: OFFICER, A MANAGING OR GENERAL AGENT,
OR TO ANY OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO RECEIVE SERVICE
13217 JAMBOREE RD #429
TUSTIN, CA 92782

INTERESTED PARTY

LEE CODDING
13217 JAMBOREE ROAD, #429
TUSTIN, CA 92782

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **January 2, 2024**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY:

PRESIDING JUDGE'S COPY

HONORABLE SCOTT C. CLARKSON
UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE
411 WEST FOURTH STREET, SUITE 5130 / COURTROOM 5C
SANTA ANA, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

January 2, 2024
Date

Layla Buchanan
Printed Name

/s/ Layla Buchanan
Signature

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** CONTINUED:
 - **INTERESTED PARTY COURTESY NEF:** William H Brownstein Brownsteinlaw.bill@gmail.com
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